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SUBJECT: WITH CSO LAW, GOE TELLS DONORS TO BACK OFF

REF: A. ADDIS 2846 (AND PREVIOUS)
 1B. GONZALES-AF/E E-MAIL NOV. 10
 1C. ADDIS 2482

11. (U) After months of U.S. and donor engagement (Ref. A) with the Ethiopian Government (GoE) to mitigate the impact of a draft Charities and Societies Proclamation (CSO law), the GoE released on November 7 what is expected to be the final draft of the law before it is submitted to Parliament. This fourth draft (Ref. B) does not incorporate any of the changes requested or address any of the concerns raised by successive waves of donor ambassadors and principals from capitals. In fact, the only substantive change made actually reverses the reduced criminal penalties inserted into the third draft, raising fine and imprisonment penalties higher than ever previously proposed. All other major provisions of concern to the USG, Ethiopian civil society, and other donors remain unchanged, including the 10 percent funding threshold over which CSOs will be considered "foreign," the prohibition on administrative expenses exceeding 30 percent, the prohibition on "foreign" CSOs from engaging in human rights, democratic rights, gender equality, conflict resolution, promoting the efficiency of law enforcement, or children's or disabled rights.

12. (U) While this latest version has not yet been formally submitted to Parliament, we expect the Council of Ministers to endorse the new text at its standing meeting on November 14 or 21 before submitting it to Parliament. Once submitted to Parliament, the House will deliberate on the draft law (commonly known as the first reading) and will send it to the appropriate committee(s) for further debate. At this point, the committee will conduct stakeholder hearings, according to Speaker Teshome Toga. Following any amendments by the committee, the draft will be re-presented to the House for further deliberation (the second reading). In the rare event that the House believes that further deliberation is necessary, it may pass the draft back to the committee. Otherwise it will present the draft for a vote.

13. (SBU) Donor representatives throughout Addis Ababa view the GoE's rejection of all donor requested amendments and the toughened penalties in the third draft as a direct affront to the international community. The UK, French, and U.S. ambassadors are extremely disappointed with the latest draft which ignores the specific points of concern raised by the ambassadors over a series of meetings with the Prime Minister. Much like was done with the Press Law, in this case too the GoE made minor cosmetic amendments to the early draft text, but when faced with sustained international engagement to mitigate the remaining negative elements, the Ethiopian executive again revised the text, stripping out some earlier improvements and toughening the ultimate text.

We, like our donor partners in Ethiopia, clearly view the GoE's latest draft as a clear message that the GoE has decided its course of action and donors should back off. While there remains a possibility that Parliament could positively amend the draft before making the CSO proclamation into law, recent history with similarly contentious laws has shown that such is unlikely. Embassy Addis Ababa will continue to engage senior GoE and Parliamentary officials about our concerns regarding the implications of this bill and will continue to leverage visits by USG principals to do the same. At the same time, we again encourage Washington to consider releasing a statement in coordination with major European partners, including the UK and France, on the CSO law along the lines of that proposed in Ref. C.

YAMAMOTO